



Gloucester Department of Community Engagement and Public Information

6382 Main Street

Gloucester, Va. 23061

804.693.5730 • www.gloucesterva.info

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FOR IMMEDIATE RELEASE

Contact: Gloria Mazzella Williams

(804) 693-5730

gwilliams@gloucesterva.info

Gloucester Sales Tax Referendum to Appear on November Ballot

The Gloucester County Board of Supervisors has initiated a referendum on whether the County may levy a general retail Sales Tax at a rate not to exceed 1% during the November 3, 2020 General Election. If enacted, the revenue generated from the Sales Tax would provide funding solely for capital projects for the construction or renovation of schools in the County.

The County's 5-year Capital Improvement Plan includes about \$48 million of potentially eligible projects to support the long-term infrastructure needs of public schools in Gloucester County. Long-term debt would be required to finance the approximate \$48 million investment, which over a 20-year period, would cost about \$3.5 million per year in debt service.

The \$3.5 million per year would equate to about 8 cents on the County's Real Estate Tax rate, or about 14 years with an additional 1% Sales Tax. If funded using the Real Estate Tax, Gloucester County property owners would fund 100% of the debt service. If funded using Sales Tax, Gloucester County property owners would fund less than 100% of the debt service, with people who shop in the County (but do not own property in the County) funding the balance of the debt service.

Therefore, if the referendum is approved, the Board of Supervisors would be empowered to reduce the amount of debt service funded by Gloucester County property owners, by assessing the Sales Tax.

Gloucester's current Sales Tax is 5.3%, or 5.3 cents per dollar. The maximum new rate that could be contemplated by the Board of Supervisors if the referendum is approved by the voters would be 6.3%, or 6.3 cents per dollar. In comparison, Sales Tax rates in York and James City counties and the City of Williamsburg is currently 7%, or 7 cents per dollar. The remainder of Hampton Roads localities pay a 6% Sales Tax, or 6 cents per dollar.

The additional Sales Tax would not apply to:

- Specific high cost items such as cars, trailers, boats, aircraft (or fuels for the same)
- Utilities
- Groceries
- Prescriptions or over-the-counter medications
- Certain agricultural, commercial and industrial items.

Projects in the County's Capital Improvement Plan that may potentially be funded by the Sales Tax include the:

- Gloucester High School renovation
- Achilles Elementary School bus loop
- Page Middle School athletic field
- HVAC replacements at Peasley Middle and Bethel Elementary schools and the T.C. Walker Education Center
- Playground replacements at Botetourt, Petsworth and Bethel Elementary schools, and
- Major paving and lighting replacement projects at multiple schools.

The Sales Tax would expire when the projects are paid in full and the debt is retired, or after 20 years, whichever occurs first. Also, if funding for construction or renovation of Gloucester County Public Schools is no longer needed, the Sales Tax could potentially go away.

For more information, visit www.gloucesterva.info or contact the Gloucester Department of Community Engagement and Public Information at 804-693-5730 or qsheppard@gloucesterva.info.

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